GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:118
ANSWERED ON:20.08.2007
SMALL SCALE INDUSTRIES IN DEFENCE PRODUCTION
Mandal Shri Sanat Kumar

Will the Minister of DEFENCE be pleased to state:

(a) whether a proposal is being considered to allow small and medium enterprises to manufacture defence equipments;

(b) if so, the details thereof; and

(c) the extent to which this step would benefit both the defence sector and the small scale industries of the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a)&(b):Since May 2001, the defence industry sector has been opened for Indian private sector participation, subject to licensing.The Small and Medium Enterprises (SMEs) can also undertake production of defence equipment after obtaining industrial licence.

(c) This would encourage SMEs, who have the potential to take up design and development work of defence items, to make substantial contribution in defence production.